Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

- 1. (Original) A processor-based method, comprising:
 - determining a quality value for a target software based on performance of the target software; and
 - computing a merit-based licensing fee for the target software based on the quality value.
- 2. (Original) The method of claim 1, wherein determining a quality value for a target software based on the target software's performance comprises comparing the performance of the target software to performance of another software.
- 3. (Original) The method of claim 2, wherein determining a quality value for the target software comprises dividing an error rate associated with the other software by an error rate associated with the target software.
- 4. (Original) The method of claim 2, wherein the other software comprises a free engine.
- 5. (Original) The method of claim 1 further comprising logging the performance of the target software.
- 6. (Original) The method of claim 5, wherein logging the performance of the target software comprises evaluating the target software's performance based on field data.

- 7. (Original) The method of claim 5, wherein logging the performance of the target software comprises evaluating the target software's performance based on test data.
- 8. (Original) The method of claim 1, wherein determining a quality value for a target software based on the target software's performance comprises computing an absolute value for the quality value.
- 9. (Original) The method of claim 8, wherein computing the absolute value comprises dividing a predetermined error rate threshold by an error rate associated with the target software.
- 10. (Original) The method of claim 1, wherein the target software comprises intelligent software.
- 11. (Original) The method of claim 1, wherein determining the quality value comprises determining a quality value based on a factor selected from the group consisting of accuracy level, efficiency level, throughput level, multilingual capability and self-reporting of errors capability of the target software.
- 12. (Original) The method of claim 1, wherein determining the quality value comprises computing a value based on at least one point measurement over a timeframe that is substantially equal to or less than a predetermined time period.
- 13. (Original) The method of claim 1, wherein computing the merit-based licensing fee comprises adjusting a base licensing fee based on the quality value.

- 14. (Original) The method of claim 13, wherein computing the merit-based licensing fee comprises multiplying the quality value by a first constant and adding the result to a second constant.
- 15. (Original) The method of claim 1, wherein computing the merit-based licensing fee comprises a floating final licensing cost.
- 16. (Currently amended) A system, comprising:a CPU;
 - a storage device coupled to the CPU and containing executable code; and wherein, upon executing the code, the processor-CPU computes a merit-based licensing fee for a target software based on a quality value associated with the target software.
- 17. (Original) A system as recited in claim 16, further comprising an operation log and wherein the CPU logs performance of the target software in the operation log.
- 18. (Original) A system as recited in claim 16, wherein the CPU compares the performance of the target software to another software.
- 19. (Original) A system as recited in claim 18, wherein the other software comprises a free engine.
- 20. (Original) A system as recited in claim 18, wherein the storage device containing executable code further comprises an algorithm that causes the CPU to determine the quality value for the target software by dividing an error rate associated with the other software by an error rate associated with the target software.

- 21. (Original) A system as recited in claim 16, wherein the storage device containing executable code further comprises an algorithm that causes the CPU to determine the merit-based licensing fee by adjusting a base licensing fee based on the quality value.
- 22. (Original) A storage device containing software that, when executed by a processor, causes the processor to:

store operation logs of a target software;

- measure a performance level of the target software based on the operation logs;
- determine a quality value for the target software based on the performance level; and
- compute a licensing fee for the target software based on the quality value.
- 23. (Original) A storage device as recited in claim 22, wherein determining the quality value comprises comparing the performance of the target software to another software.
- 24. (Original) A storage device as recited in claim 22, wherein computing the licensing fee comprises adjusting a base licensing fee based on the quality value.
- 25. (Original) A system, comprising:
 - means for measuring a performance level of a target software;
 - means for determining a quality value for the target software based on the performance level; and
 - means for computing a licensing fee for the target software based on the quality value.

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- 26. (Original) A system as recited in claim 25, wherein determining the quality value comprises comparing performance of the target software to another software.
- 27. (Original) A system as recited in claim 25, wherein computing the licensing fee comprises adjusting a base licensing fee based on the quality value.